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African Monetary Fund

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ARTICLES OF AGREEMENT

OF

THE AFRICAN MONETARY FUND

ARTICLES OF AGREEMENT OF THE AFRICAN MONETARY FUND

THE GOVERNMENTS on whose behalf the present Agreement is signed;

RECALLING the Lagos Plan of Action for the economic development of Africa, 1980 - 2000 and the Final Act of Lagos adopted by the Assembly of Heads of State and Government of the Organization of African Unity meeting in its Second Extraordinary Session from 28 to 29 April 1980 in Lagos, Nigeria, which called, inter alia, for the establishment of an African Monetary Fund for the purpose of assisting African countries in their efforts at overcoming financial and monetary problems;

RECALLING further Resolution 467 (XVIII) concerning the establishment of an African Monetary Fund adopted by the ECA Conference of Ministers on 2 May 1983;

CONCERNED that the world economic situation, especially the international financial and monetary situation, has aggravated the problems faced by African countries as reflected in the mounting external indebtedness, balance-of-payments deficits and the depletion of their external resources;

CONVINCED that the financial and monetary problems that face African countries can only be addressed effectively if these countries act together under the umbrella of an African Monetary Fund;

AWARE that a partnership of African and non-African countries and Institutions will facilitate additional flow of international capital through such an institution as the African Monetary Fund for the economic development and social progress of the African continent and the mutual benefit of Member States;

CONVINCED that the establishment of a common financial institution common to all African countries would serve these purposes;

HEREBY AGREE AS FOLLOWS:

ARTICLE 1

Interpretation

In this Agreement:

"Board" means the Board of Executive Directors established under Article 8 of this Agreement;

"Board of Governors" means the Board of Governors established under Article 7 of this Agreement;

"Fund" means the African Monetary Fund established under Article 2 of this Agreement;

"Managing Director" means the Managing Director and Deputy Managing Director appointed under Article 10 of this Agreement;

"Member State" means the Member States referred to in paragraph 2 of Article 2 of this Agreement.

ARTICLE 2

Establishment and Membership

1. There is hereby established the African Monetary Fund (hereinafter referred to as "the Fund") as a step in the monetary and finance fields towards the establishment of an African Economic Community by the year 2000.

2. Membership of the Fund shall be open to the following:

(a) All African independent States, namely; Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Congo, Djibouti, Egypt, Equatorial Guinea, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea Bissau, Ivory Coast, Kenya, Lesotho, Liberia, Libya, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Niger, Nigeria, Rwanda, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone, Somalia, Sudan, Swaziland Tanzania, Togo, Tunisia, Uganda, Zaire, Zambia and Zimbabwe.

(b) Any other African country that attains the status of sovereign independence;

(c) Non-regional countries and institutions which subscribe to the capital and become members of the Fund under the terms and conditions to be determined by the Board of Governors.

3. The Member States of the Fund shall be the African States set out in sub-paragraph (a) of paragraph 2 of this Article that sign, ratify or accede to this Agreement.

ARTICLE 3

Aims and Objectives

1. It shall be the aim of the Fund to promote co-operation and development in all fields of monetary and financial affairs of the Member States with a view to raising the standard of living of its peoples, of fostering closer relations among its Member States and to contribute to the progress and development of the African continent.

2. In order to achieve the aims and objectives set out in paragraph 1 of this Article, the Fund shall use its best endeavours:

(a) to contribute to the economic and social development of African countries;

(b) to provide balance-of-payments support to the Member States and facilitate adjustments;

(c) to promote monetary and financial co-operation among African countries with a view to achieving economic integration; and

(d) to promote a Pan-African forum for monetary and financial co-ordination, consultations and collective actions.

ARTICLE 4

Functions

In order to carry out the aims and objectives set out in Article 3 of this Agreement, the Fund shall more particularly undertake the following functions:

(a) mobilize or borrow resources in Africa and outside Africa for financing and reducing imbalances in the balance-of-payments of the Member States through short- and medium-term credits;

(b) provide financial support to balance-of-payments deficits arising from intra-African trade transactions as a means of encouraging trade among African countries and thereby facilitate economic integration;

(c) act as a possible depository for the foreign reserves and goods of its members and to acquire gold and securities on behalf of the members and to maintain, sell or otherwise dispose of such gold and securities as may be decided from time to time by the members;

(d) provide information to members on alternative sources of loans and credits and other forms of funding for balance-of-payments financing including bilateral and multilateral sources, and to guarantee loans and credits to the Member States, where appropriate, provided that such loans and credits are for balance-of-payments support;

(e) accept, hold and manage any other funds entrusted to it by the Member States, non-member States and other organziations both within and outside Africa, provided that this is not inconsistent with its objectives;

(f) provide financial support on short- and medium-term basis to enable member countries to carry out structural adjustment programmes;

(g) undertake, or participate in, research and studies on programmes intended to encourage monetary and financial co-operation among the Member States;

(h) provide facilities to members with a view to developing technical and managerial skills in dealing with fiscal, monetary, currency and taxation policies and central banking matters as required by the Member States;

(i) contribute to the development of capital and money markets in the African region;

(j) conduct periodic consultations with the Member States on their economies, particularly on monetary, exchange rates, exchange control and fiscal policies pursued with a view to, inter-alia, promoting co-operation among the Member States in these areas;

(k) assume appropriate commercial banking operations for purposes of activating and promoting intra-African exchanges in trade and services. These operations shall include, inter-alia, financing and guaranteeing such intra-African exchanges; and

(l) perform such other functions as may from time to time be required under these articles of Agreement to achieve its objectives.

ARTICLE 5

Organs

The Fund shall have the following organs:

(a) Board of Governors;

(b) The Board of Executive Directors;

(c) The Managing Director and Deputy Managing Director;

(d) The Secretariat; and

(e) Such other technical and specialized bodies as the Board of Governors may deem necessary for the efficient implementation of the provisions of this Agreement.

ARTICLE 6

Board of Governors - Establishment, Composition, Powers and Functions

1. There is hereby established a Board of Governors of the Fund which shall be the highest policy-making organ of the Fund. Each member of the Fund shall appoint one Governor and one Alternate Governor. They shall be persons of the highest competence, integrity, wide experience in economic and financial matters and shall be nationals of the Member States. No alternate governor may vote except in the absence of his principal. The Board of Governors shall elect one of the Governors as Chairman. The Chairman shall hold office until the next ordinary meeting of the Board. The voting power of each governor shall be the same as that of the member appointing him.

2. All the powers of the Fund shall, subject to the provisions of this Agreement, be vested in the Board of Governors. The Board may delegate its powers and functions to the Board of Directors; provided that the Board of Governors shall retain full power to exercise authority or control over any matter delegated to the Board of Directors under this paragraph. Governors and alternates shall serve as such without compensation from the Fund but the Fund may pay them reasonable expenses incurred.

3. It shall be the duty of the Board of Governors more particularly to perform the following functions and duties:

(a) To determine the overall policy of the African Monetary Fund and to ensure that the objectives and functions specified in this Agreement are effectively and efficiently implemented;

(b) (i) Appoint the Managing Director and Deputy Managing Director;

(ii) Determine or alter the capital structure of the Fund;

(iii) Establish, abolish or accept the administration of any special funds;

(iv) Establish, revise or allocate subscriptions and quotas;

(v) Discuss and give guidance to the Board of Executive Directors as appropriate with respect to the operations of the Fund; the Annual Report of the Fund; and any matters which the Board of Executive Directors may refer to it;

(vi) Approve the annual accounts of the Fund;

(vii) Approve the appointment of external auditors of such other experts as may be necessary to examine and report on the general management of the Fund;

(viii) Determine or establish the remuneration of the Executive Directors, Alternates, the Managing Director and the Deputy Managing Director and approve the salary scales of the general secretariat;

(ix) Establish co-operative arrangements between the Fund and any other organization, either within or outside Africa;

(x) Decide on the dissolution of the African Monetary Fund.

(c) With the exception of the powers set out in sub-paragraph (b) of paragraph 3 of this Article the Board of Governors may delegate its powers to the Board of Executive Directors.

(d) The Board of Governors shall retain full powers to exercise authority over any matter delegated to the Board of Executive Directors under sub-paragraph (c) of paragraph 3 of this Article.

(e) The Board of Directors shall determine its own procedure, including that of convening its meetings, for the conduct of business thereat and at other times, and for the rotation of the office of Chairman among its members.

ARTICLE 7

Board of Executive Directors - Establishment, Composition and Functions

1. There is hereby established a Board of Executive Directors of the Fund. The Executive Board shall be composed of _____ members who shall not be Governors or Alternate Governors. _____ members shall be elected by Governors of the Regional members and _____ members shall be elected by the Governors of the non-regional members. They shall be elected by the Board of Governors in accordance with Annex I to this Agreement. In electing the Executive Board, the Board of Governors shall have due regard to the integrity and high competence and wide experience of the members in economic and financial matters required for the office. The Board of Governors may determine to change the number of members of the Executive Board only by a three-fourths majority of the total voting power of the Member States; provided that with respect to provisions relating exclusively to the number and election of Directors by the regional Member States two-thirds majority of regional members shall be required to change the numbers; with respect to provisions relating to exclusively to the number and election of Directors by non-regional members, by a majority of two-thirds of the governors of non-regional members.

2. Each Executive Director shall appoint an Alternate who shall act for him when he is not present. Directors and their alternates shall be nationals of the Member States; but no Alternate may be the same nationality as his Director. An Alternate may participate in meetings of the Board but may vote only when he is acting in the place of his Director.

3. Directors shall be elected for a term of three years and may be re-elected. They shall continue in office until their successors are elected. If the office of Director becomes vacant more than 180 days before the end of his term, a successor shall be elected in accordance with Annex I to this Agreement for the remainder of the term by the Board of Governors at its next session. While the office remains vacant the Alternate of the former director shall exercise the powers of the latter except that of appointing an Alternate.

4. Without prejudice to the powers of the Board of Governors as provided in Article 6 of this Agreement, the Executive Board shall be responsible for the conduct of the general operations of the Fund and for this purpose shall, in addition to the powers provided for it expressly in this Agreement and the powers delegated to it by the Board of Governors, in particular.

(a) appoint such technical or other sub-committees as it deems necessary;

(b) determine the organization and offices of the Fund and prescribe the responsibilities attached to the administrative and professional offices of the Fund;

(c) approve the budget of the Fund;

(d) prepare the work of the Board of Governors;

(e) in conformity with the general directives of the Board of Governors, take decisions on economic reformation and its stabilisation programmes; the provision of financing and guarantees, borrowing by the Fund, interest rates and the size of loans, requests for financing under the various facilities and the general financial services of the Fund;

(f) determine the rates of interest on loans, commissions and fees for guarantees and other financial transactions of a similar kind; and

(g) submit the accounts for each financial year and an annual report for approval to the Board of Governors at each annual meeting.

ARTICLE 8

Procedure of the Executive Board

1. The Executive Board shall function in continuous session at the headquarters of the Fund and shall meet as often as the business of the Fund may require.

2. The Managing Director and in his absence the Deputy Managing Director shall be the Chairman of the Executive Board. Meetings of the Board shall be convened by the Chairman or in his absence by the Deputy Managing Director. Meetings other than ordinary meetings of the Board shall be convened:

(a) Whenever the Chairman or in his absence the Vice-Chairman deems it necessary; or

(b) Whenever a two-thirds majority of the members of the Board so request.

3. The Chairman of the Board shall have no vote except a deciding or casting vote in the case of an equal division. Subject to this he may participate in meetings of the Executive Board.

4. A quorum for any meeting of the Board shall be a simple majority of total number of Directors representing not less than two-thirds of the total voting power of the members. Such quorum shall include at least one Director of non-regional members. If the Executive Board is unable to achieve the quorum requirement respecting the presence of at least one Director of the non-regional members, the said quorum requirement may be waived at the next session of the Board.

5. The Board of Governors shall adopt regulations under which, if there is no director of its nationality, a member may be represented at a meeting of the Executive Board when a request made by or a matter particularly affecting that member is under consideration.

6. The Executive Board may, by regulations, establish a procedure whereby a decision in writing signed by all the Directors of the Fund shall be as valid and effective as if it had been made at a meeting of the Executive Board.

ARTICLE 9

Managing Director-Appointment and Functions

1. The Board of Governors shall appoint a Managing Director in accordance with the provisions of item (i) of sub-paragraph (b) of Paragraph 3 of Article 6 of this Agreement. The Managing Director shall not be a Governor or an Executive Director. The Managing Director shall be chairman of the Executive Board, but shall have no vote except a deciding vote in case of an equal division. He may participate in meetings of the Board of Governors, but shall not be vote at such meetings. The Managing Director shall cease to hold office when the Board of Governors so decides.

2. The Managing Director shall be chief of the operating staff of the Fund and shall conduct, under the direction of the Executive Board, the ordinary business of the Fund. Subject to the general control of the Executive Board, he shall be responsible for the organization, appointment, and dismissal of the staff of the Fund.

3. The Managing Director and the staff of the Fund, in the discharge of their functions, shall owe their duty entirely to the Fund and to no other authority. Each member of the Fund shall respect the international character of this duty and shall refrain from all attempts to influence any of the staff in the discharge of these functions.

4. In appointing the staff the Managing Director shall, subject to the paramount importance of securing the highest standards of efficiency and of technical competence, pay due regard to the importance of recruiting personnel on as wide a geographical basis as possible, having due regard also to the regional character on the Fund as well as the participation of non-regional members.

5. The Managing Director shall be the legal representative of the Fund. The Deputy Managing Director shall act as legal representative of the Fund in the absence of the Managing Director.

6. The Managing Director shall cause to be convened and serviced all meetings of the Board of Governors, the Executive Board and of technical and specialized committees of the Fund.

7. The Managing Director shall perform any other functions assigned to him by the Board of Governors or the Executive Board.

ARTICLE 10

Voting

1. Each member of the Fund shall have - votes and, in addition, one vote for each share of the capital of the Fund held by that member; provided, however, that in connection with any increase in the authorized capital the Board of Governors may determine that the capital authorized by such increase shall not have voting rights and that such increase of capital shall not be subject to the preemptive rights established in subparagraph (c) of paragraph 4 of Article 12 of this Agreement.

2. In voting in the Board of Governors each Governor shall be entitled to cast the votes of the member he represents. Except as otherwise expressly provided for in this Agreement, all matters before the Board of Governors shall be decided by a simple majority of the voting power represented at the meeting.

3. In voting in the Executive Board each Director shall be entitled to cast the number of votes that counted towards his election, which votes shall be cast as a unit. Except as otherwise expressly provided in this Agreement, all matters before the Executive Board shall be decided by a simple majority of the voting power represented at the meeting.

ARTICLE 11

Authorized Capital

1. The authorized capital of the Fund shall be ..... units of account. It shall be divided into ..... shares of a par value of ..... units of account each share and which shall be available for subscription by member in accordance with the provisions of Article 12 of this Agreement.

2. The authorized capital shall be divided into paid-in shares and (callable) shares. The proportion of paid-in and (callable) shares shall be determined by the Board of Governors from time to time.

3. The authorized capital of the Fund may be increased by resolution of the Board of Governors approved by a vote representing a majority of the total voting power of the members of the Fund.

4. The authorized capital and any increases thereof shall be allocated for subscription to regional and non-regional members in such proportions that the respective groups shall have available for subscription that number of shares which, if fully subscribed, would result in regional members holding two-thirds of the total voting power and non-regional members one-third of the total voting power.

ARTICLE 12

Subscription of shares

1. Each Member State shall subscribe to shares of the authorized capital of the Fund on the basis of a formula determined by the Board of Governors from time to time; provided that no Member State may be required to subscribe less than 1 per cent or more than 10 per cent of the total authorized capital reserved exclusively for the Member States.

2. Members of the Fund other than Member States shall subscribe to the shares of the capital of the Fund in accordance with a formula to be determined by the Board of Governors.

3. The initial subscriptions of members other than Member States to the authorized capital of the Fund shall be determined by the Fund but no subscriptions shall be authorized which would have the effect of reducing, at any time, the percentage of capital held by the Member States below 66.67 per cent of the total subscribed capital;

4. If the authorized capital of the Fund is increased the following provisions shall apply:

(a) subject to the provisions of this Article subscriptions to any increase of the authorized capital shall be subject to such terms and conditions as the Fund shall determine;

(b) the Member States shall subscribe to the increased capital in accordance with the criteria laid down by the Board of Governors for making initial capital allocations;

(c) each member, other than a Member State, shall be given a reasonable opportunity to subscribe to a proportion of the increase of capital equivalent to the proportion which its capital therefor subscribed bears to the total subscribed capital stock immediately prior to such increases:

Provided that no such member shall be obliged to subscribe to any part of an increase of capital;

Provided further that the provisions of sub-paragraphs (b) and (c) of this paragraph shall not apply in respect of any increase or portion of an increase in the authorized capital which is intended solely to give effect to determinations of the Fund under paragraph 3 of this Article; and

Provided further that subscriptions shall be restricted proportionately to the extent necessary to ensure that any time the percentage of capital held by the Member States remains not less than 66.67 per cent of the total subscribed capital.

5. Shares shall be issued at par unless the Fund, by a vote representing a majority of the total voting power of members, decides in special circumstances to issue them on other terms.

6. Shares of shall not be pledged or encumbered in any manner whatsoever and they shall be transferrable only subject to the provisions of this Agreement and to the approval of the Board of Governors.

7. The liability of the members on shares shall be limited to the unpaid portion of the issue price of the shares.

8. No member shall be liable, by reason only of its membership of the Fund for obligations of the Fund.

ARTICLE 13

Payment of Subscriptions

1. Payment of the amount subscribed to the paid-in capital stock of the Fund shall be made in six instalments. The first instalment shall be 10 per cent of the paid-in capital and shall be paid within thirty days of the entry into force of this Agreement. The second instalment shall be another 10 per cent of the paid-in capital and shall be paid within the first year of the date of entry into force of this Agreement. The remainder of the paid-in capital shall be paid in four yearly instalments of 20 per cent of the said paid-in capital in the second, third, fourth and fifth years of the date of entry into force of this Agreement.

2. The payment of each instalment of subscriptions by members to the original paid-in capital shall be made in convertible currencies.

3. For the purposes of making the payment of each instalment of subscriptions of the original paid-in capital of the Fund Member States shall deposit with their Central Banks irrevocable promisory notes in convertible currencies equivalent to the Unit of Account obligations, except for the first instalment.

4. Payment of the amount subscribed on callable shares in the capital of the Fund shall be subject to call on the recommendations of the Board of Directors to the Board of Governors from time to time but such calls shall only be made as and when the amount thereof shall be required by the Fund:

(a) to repay moneys raised by the Fund in capital markets, borrowed or otherwise acquired by the Fund for the purpose of making or participating in direct loans;

(b) to pay or repay any loan or loans guaranteed in whole or in part by the Fund in furtherance of its objectives; and

(c) for any other need or needs as the Board of Governors may deem fit.

5. In the event of a call being made in terms of paragraph 4 of this Article payment may be made as decided by the Fund in convertible currency or in the currency required to discharge the obligations of the Fund for the purposes of which the call is made. Calls on unpaid subscriptions shall be uniform in percentage on all callable shares.

6. The Fund shall determine the place for any payment of subscriptions; provided that, until the first meeting of its Board of Covernors, the payment of the first instalment referred to in paragraph 1 of this Article shall be made to the Executive Secretary of the United Nations Economic Commission for Africa as Trustee for the Fund.

ARTICLE 14

Ordinary Capital Resources

In this Agreement, the term "ordinary capital resources" of the Fund shall include:

(a) the authorized capital of the Fund subscribed pursuant to the provisions of Article 11 of this Agreement;

(b) funds raised by borrowing of the Fund by virtue of powers conferred by Article 26 of this Agreement in respect of which calls may be made as provided for in paragraph 4 of Article 13 of this Agreement;

(c) funds received in repayment of loans or guarantees made with the resour·es specified in paragraphs (a) and (b) of this Article and income derived from lending and guaranteeing;

(d) any other funds or income received by the Fund which do not form part of its special funds referred to in Article 15 of this Agreement.

ARTICLE 15

Special Funds

1. The Fund may accept for administration from such sources as it considers appropriate, Special Funds which are designed to promote the objectives of the Fund.

2. Special Funds accepted by the Fund under paragraph 1 of this Article shall be used in such manner and upon such terms and conditions as are not inconsistent with the objectives of the Fund and the agreement under which such funds are accepted by the Fund for administration.

3. The Board of Governors shall make such regulations as may be necessary for the administration and use of each Special Fund. Such regulations shall be consistent with the provisions of this Agreement, other than those provisions which expressly relate only to the ordinary operations of the Fund.

4. The term "Special Funds" as used in this Agreement shall refer to the resources of any Special Fund and shall include:

(a) funds accepted by the Fund in any Special Fund;

(b) funds repaid in respect of loans of guarantees financed from any Special Fund which under the regulations of the Fund covering that Special Fund, are received by such Special Fund;

(c) income derived from operations of the Fund by which any of the resources or funds referred to in sub-paragraphs (a) and (b) of this Article are used or committed if under the regulation regulations of the Fund covering the Special Fund concerned, that income accrues to such Special Fund; and

(d) any other resources at the disposal of any Special Fund.

ARTICLE 16

Use of Resources

The resources and facilities of the Fund shall be used only within the Member States to implement the objectives of the Fund as set out in Article 3 of this Agreement.

ARTICLE 17

Ordinary and Special Operations

1. The operations of the Fund shall consist of ordinary operations and special operations.

2. The ordinary operations shall be those financed from the ordinary capital resources of the Fund referred to in Article 14 of this Agreement; special operations shall be those financed from the Special Funds referred to in Article 15 of this Agreement.

3. The ordinary capital resources and the Special Funds of the Fund shall at all times and in all respects be held, used, committed, invested or otherwise disposed of entirely separately from each other.

4. (a) The ordinary capital resources shall not be charged with or used to discharge losses or liabilities arising out of special operations of the Fund for which the Special Funds were originally used or committed;

(b) The Special Funds shall not be charged with or used to discharge losses or liabilities arising out of ordinary operations of the Fund for which ordinary capital resources were originally used or committed.

5. Expenses relating directly to ordinary operations and special operations shall be charged to ordinary capital resources and Special Funds respectively. Any other expenses shall be charged as the Fund shall determine.

6. The ordinary operations of the Fund shall as a general policy provide loans and guarantees to public and private national, subregional and regional institutions. When loans are made to autonomous private institutions, the Fund may seek guarantees from the Governments concerned.

ARTICLE 18

Methods of Operation

1. Subject to the conditions set out in this Agreement, the Fund may provide finances or facilitate financing in any of the following ways to Ministries of Finance , to Central Banks or other approved institutions of the Member States:

(a) by making or participating in direct loans with its unimpaired paid-in capital and except in the case of its Special Reserve as defined in Article 25 of this Agreement with its reserves and undistributed surplus or with the unimpaired Special Fund;

(b) by making or participating in direct loans with funds raised by the Fund in capital markets or borrowed or otherwise acquired by the Fund for inclusion in its ordinary capital resources;

(c) by guaranteeing, in whole or in part, loans made by others for the purpose of achieving the objectives of the Fund.

2. The provisions of this Agreement applying to direct loans which the Fund may make pursuant to sub-paragraphs (a) and (b) of paragraph 1 of this Article shall also apply to the participation by the Fund in any direct loan made pursuant to these sub-paragraphs. Equally, the provisions of this Agreement applying to guarantees of loans made by the Fund under sub-paragraph (c) of paragraph 1 of this Article shall apply where the Fund guarantees part of such a loan only.

ARTICLE 19

Limitations on Operations

1. The total amount outstanding on loans and guarantees made by the Fund in its ordinary operations shall not at any time exceed three times the total amount of its unimpaired subscribed capital, reserves and surplus included in its ordinary

capital resources, excluding the Special Reserve and any other reserves not available for ordinary operations.

2. The total amount outstanding in respect of the special operations of the Fund relating to any Special Fund shall not at any time exceed the total amount of the unimpaired special resources appertaining to that Special Fund.

3. In the case of loans made with funds borrowed by the Fund to which the commitment to call provided for in paragraph 4 of Article 13 of this Agreement is applicable, the total amount of principal outstanding and payable to the Fund in a specific currency shall not at any time exceed the total amount of the principal of outstanding borrowings by the Fund that are payable in the same currency.

4. In the case of guarantees given by the Fund in the course of its ordinary operations, the total amount guaranteed shall not exceed 10 per ent of the aggregate amount of the unimpaired paid-in capital of the Fund actually paid up at any given time together with the reserves and surplus included in its ordinary capital resources excluding the Special Reserve.

ARTICLE 20

Provision of currencies for loans and other financial transactions

In making loans or in undertaking other financial transactions, the Fund may provide finance in the following ways:

(a) by furnishing the borrower with currencies other than the currency of the Member State in whose territory the project is located, which are needed by the borrower to meet the foreign exchange costs of the project; or

(b) by providing, where possible, local currency but not exceeding a reasonable portion of the total expenditure to be incurred by the borrower.

ARTICLE 21

Operating Principles

The operations of the Fund shall be conducted in accordance with the following principles:

(a) the Fund shall be guided by sound banking principles in its operations and shall finance only economically sound and technically feasible national, subregional and regional programmes and projects;

(b) in selecting projects, the Fund shall always be guided by the need to pursue the objectives set out in Article 3 of this Agreement;

(c) in providing financing, the Fund shall endeavour to give preference to those sectors, programmes and projects which by their nature promote intra-African Trade and subregional economic integration and those sectors which are accorded priority by the Agreement; in this regard the Fund shall more particularly lend the Member States balance-of-payments support, finance intra-African trade and provide a special food financing facility;

(d) the size, terms and conditions of individual loans shall be determined by the Board of Directors taking into account the nature of the resources, the type of programmes and projects and the special economic circumstances of Member States;

(e) the Fund shall so conduct its operations as to earn a reasonable return on its capital;

(f) the Fund shall not undertake any operation in the territory of any Member State if that Member State objects to such operation;

(g) in considering an application for a loan, or guarantee, the Fund shall pay due regard to the ability of the borrower to obtain finance or facilities elsewhere on terms and conditions that the Fund considers reasonable for the recipient, taking into account all relevant factors;

(h) in making or guaranteeing a loan, the Fund shall pay due regard to the prospects that the borrower and its guarantor, if any, will be able to meet their obligations under the loan contract;

(i) in making or guaranteeing a loan, the rate of interest, other charges and the schedule for repayment of principal the Fund shall charge rates of interest prevailing in the market at the time of the transaction;

(j) in the case of a direct loan made by the Fund, the borrower shall be permitted by the Fund to draw the loan funds only to meet payments in connection with the project as they fall due;

(k) the Fund shall take all necessary measures to ensure that the proceeds of any loan made, guaranteed, or participated in the Fund are used only for the purposes for which the loan was granted and with due attention to considerations of economy and efficiency; and

(l) the Fund shall ensure that every loan contract entered into by it shall enable the Fund to exercise all necessary powers of entry, inspection and supervision of operations in connection with the project and shall further enable the Fund to require the borrower to provide information and to allow inspection of its books and records during such time as any part of the loan remains outstanding.

ARTICLE 22

Terms and conditions for direct loans and guarantees

1. In the case of direct loans made or participated in or loans guaranteed by the Fund, the contract shall establish in conformity with the operating principles set out in Article 21 of this Agreement and subject to the other provisions of this Agreement, the terms and conditions for the loan or the guarantee concerned, including payment of principal, interest, commitment fee and other charges, maturities and dates of payment in respect of the loan, or the fees and other charges in respect of the guarantee.

2. The contract shall provide that all payments to the Fund under the contract shall be made in the currency loaned or any convertible currency as may be determined by the Fund.

3. Guarantees by the Fund shall also provide that the Fund may terminate its liability with respect to interest if upon default by the borrower or any other guarantor, the Fund offers to purchase, at par and interest accrued to a date designated in the offer, the bonds or other obligations guaranteed.

4. Whenever the Fund considers it appropriate, the Fund may require a condition of granting or participating in a loan that the Member State in whose territory a project is to be carried out, or a public agency of the Member State acceptable to the Fund, guarantee the repayment of the principal and the payment of interest and other charges on the loan in accordance with the terms thereof.

ARTICLE 23

Defaults on loans and methods of meeting liabilities of the Fund

1. In case of default on loans made, participated in or guaranteed by the Fund in its ordinary operations, the Fund shall take such action as the Board of Governors consider appropriate to protect its investment including modification of the terms of the loan, other than any term as to the currency or repayment.

2. Payments in discharge of the liabilities of the Fund on borrowing or guarantees chargeable to the ordinary capital resources shall be charged first against the Special Reserve and then, to the extent necessary and at the discretion of the Fund, against other reserves, surplus and capital available to the Fund.

3. Whenever necessary to meet contractual payments of interest, other charges or amortisation or borrowings of the Fund in its ordinary operations or to meet its liabilities with respect to similar payments in relation to loans guaranteed by it, chargeable to its ordinary capital resources, the Fund may call an appropriate amount of the uncalled subscribed callable capital in accordance with the provisions of paragraphs 4 and 5 of Article 13 of this Agreement.

ARTICLE 24

Commission fees

1. In addition to interest the Fund shall charge a commission on direct loans made and guarantees given as part of its ordinary operations. This commission, payable periodically, shall be computed on the amount outstanding on each loan or guarantee and shall be at the rate of not less than one per cent per annum, unless the Fund, after the first ten years of its operations, decides to change this minimum rate by majority of two-thirds of its members representing not less than three quarters of the total voting power of the members.

2. In guaranteeing a loan as part of its ordinary operations, the Fund shall charge a guarantee fee at a rate determined by the Board of Directors.

3. Other charges of the Fund in its ordinary operations and the commission, fees or other charges in relation to its special operations, shall be determined by the Board of Directors.

ARTICLE 25

Special Reserve

The amount of commission and guarantee fees received by the Fund under the provisions of Article 24 of this Agreement shall be set aside as a Special Reserve which shall be kept for meeting liabilities of the Fund in accordance with the provisions of Article 23 of this Agreement. The Special Reserve shall be held in such liquid form as the Board of Directors may decide.

ARTICLE 26

Borrowing, investment and other powers of the Fund

1. The Fund shall be empowered to borrow funds in the manner the Board of Governors, guided by sound banking principles, may see appropriate to achieve the objectives of the Fund, inter alia

(i) whenever concessional loans are available, the Fund shall give preference to concessional funds

(ii) the Fund may borrow funds from any source for the purpose of financing operations designed to enable it to achieve its objectives

(iii) the Fund may obtain lines or credit and special funds for specific projects and programmes

(iv) in its borrowing operation the Fund shall observe the debt equity ratio of 2 to 1

(v) in furtherance of its objectives, the Fund may seek the co-operation of other financial institutions for joint financing

(vi) the Fund may accept deposits from any member State or institution in currencies and on conditions to be determined by the Board of Governors.

2. Subject to the approval of the Board of Governors, the Fund shall be empowered to invest and in doing so it shall be guided by the following:

(i) the Fund may invest funds not immediately needed in its operations as well as pension funds in accordance with directives given by the Board of Governors,

(ii) the investment policy of the fund shall be intended to ensure maximum returns on its investments as well as sufficient liquidity for its operations

(iii) the Fund may guarantee securities in which it has invested in order to facilitate their sale

(iv) the Fund may enter into joint ventures with other regional and international institutions.

ARTICLE 27

Notice to be placed on securities

Every security issued or guaranteed by the Fund shall bear on its face a conspicuous statement to the effect that it is not an obligation of any government unless it is in fact the obligation of a particular government in which case it shall so state.

ARTICLE 25

Currencies

1. Whenever it shall become necessary under this Agreement to determine whether any currency is convertible, such determination shall be made by the Fund after consultation with the International Monetary Fund.

2. The Member States may not maintain or impose any restrictions on the holding or use by the Fund or by any recipient from the Fund for payments in any country of the following

(a) currencies received by the Fund in payment of subscriptions to its capital;

(b) currencies purchased with the currencies referred to in sub-paragraph (a) to this paragraph

(c) currencies received by the Fund by borrowing for inclusion in its ordinary capital resources

(d) currencies received by the Fund in payment of principal, interest, dividends or other charges in respect of loans or investments made out of any of the funds referred to in sub-paragraphs (a), (b) and (c) of this paragraph or in payment of fees in respect of guarantees made and other services rendered by the Fund and

(e) currencies received from the Fund in the distribution of the net income of the Fund in accordance with the provisions of Article 26 of this Agreement.

3. The Member States may not maintain or impose any restriction on the holding or use by the Fund or by any recipient from the Fund, for payments in any country, of currency received by the Fund which does not come within the provisions of paragraph 2 of this Article unless such currency forms part of the Special Funds of the Fund and its use is subject to special regulations.

4. The Member States may not maintain or impose any restrictions on the holding or use by the Fund, for making amortisation payments or for repurchasing in whole or in part the obligations of the Fund of currencies received by the Fund in repayment of direct loans made out of its ordinary capital resources.

5. Each Member State shall ensure, in respect of projects within its territories, that the currencies necessary to enable payments to be made to the Fund in accordance with the provisions of the contracts referred to in Article 22 of this Agreement shall be made available in exchange for the currency of the Member State concerned.

ARTICLE 29

Prohibition of political activity and the international character of the Fund

1. The Fund shall not accept loans, special funds or assistance that may in any way prejudice, limit, deflect or otherwise alter its objectives or functions.

2. The Fund, its Managing Director, Deputy Managing Director, officers and staff shall not interfere in the political affairs of any Member State nor shall they be influenced in their decisions by the political character of a member State. Only economic and financial considerations and such objectives as are set out in Article 3 of this Agreement shall be relevant to their decisions; such considerations shall be weighed impartially in order to achieve and carry out the functions of the Fund.

3. The Managing Director, Deputy Managing Director, officers and staff of the Fund, in discharge of their functions, owe their loyalty entirely to the Fund and to no other authority. Each member of the Fund shall respect the international character of the Fund and shall refrain from all attempts to influence the staff and officers of the Fund in the discharge of their functions.

ARTICLE 30

Principal Office of the Fund

The principal office of the Fund shall be situated at a place to be determined by the Board of Governors and the Fund may establish sub-regional offices at such other places within the Member States as the Board of Governors shall determine.

ARTICLE 31

Channels of Communications and Depositories

1. Each member of the Fund shall designate its ministry responsible for finance, Central Bank by whatever name it is styled, or such other agency with recognised competence in the field of money and finance to communicate with the Fund in connection with any matter arising under this Agreement.

2. Each Member State shall designate the agency selected under Paragraph 1 of this Article as a depository with which the Fund may keep its holdings of currency and other assets.

ARTICLE 32

Working Languages

The working languages of the Fund shall be Arabic, English and French.

ARTICLE 33

Accounts and Reports

1. The Board of Directors shall ensure that proper accounts and proper records are kept in relation to the operations of the Fund and such accounts shall be audited in respect of each financial year by auditors of high repute appointed by the Board of Governors in accordance with item (vii) of subparagraph (b) of paragraph 3 of Article 6 of this Agreement.

2. The Fund shall prepare and transmit to the Board of Governors and to the members of the Fund, and shall also publish, an annual report containing an audited statement of its accounts.

3. The Fund shall prepare and transmit to its members quarterly a summary statement of its financial position, and a profit and loss statement showing the results of its operations.

4. All financial statements of the Fund shall show ordinary operations and the operations of each Special Fund separately.

5. The Fund may also publish such other reports as it considers desirable for achieving its objectives and such reports shall be transmitted to members of the Fund.

ARTICLE 34

Withdrawal of Members

1. A Member of the Fund which is a Member State may not withdraw from the Fund.

2. Any Member of the Fund other than a Member State, wishing to withdraw from the Fund shall give to the Managing Director one year's written notice of its intention to withdraw and at the end of such year shall, if such notice is not withdrawn, cease to be a Member of the Fund.

3. During the period of one year referred to in paragraph 2 of this Article a Member of the Fund other than a Member State, wishing to withdraw from the Fund shall nevertheless observe the provisions of this Agreement and shall remain liable for the discharge of its obligations under this Agreement.

ARTICLE 35

Suspension of Membership

1. If a Member of the Fund fails to fulfil its obligations to the Fund, the Board of Governors may suspend such Member by a majority vote of the total number of Governors representing the majority of the total voting power of the Fund.

2. The Member so suspended shall automatically cease to be a Member of the Fund one year from the date of its suspension unless the Board of Governors decides, within that period and by the same majority necessary for suspension, to restore the Member to good standing.

3. While under suspension, a Member shall not be entitled to exercise any right under this Agreement but shall remain subject to all its obligations.

ARTICLE 36

Settlement of Accounts

1. (a) For the purpose of this Article the words "the relevant date" shall mean in respect of any member of the Fund either the date on which that member delivered a notice of withdrawal in accordance with the provisions of Article 34 of this Agreement or, as the case may be, the date on which that member ceased to be a member in accordance with the provisions of Article 35 of this Agreement.

(b) After the relevant date, a member of the Fund shall remain liable for any balance required by the Fund to be paid by the member on account of the amount originally subscribed for its shares and for any calls made by the Fund pursuant to the provisions of paragraph 4 of Article 13 of this Agreement in respect of the contingent liability of that member for any calls made by the Fund in respect of that member's shares after the relevant date to meet obligations of the Fund resulting from any loans, guarantees or obligations contracted by the Fund before the relevant date but such member shall not incur liability with respect to loans, guarantees or obligations entered into by the Fund after the relevant date nor shall it share either in the income or the expense of the Fund after the relevant date.

2. At the time a member ceases to be a member of the Fund the Fund may arrange for the repurchase of its shares as a part of the settlement of accounts with such member in accordance with the provisions of paragraphs 3 and 4 of this Article. For this purpose, the repurchase price of the shares shall be the amount certified by auditors of high repute selected by the Board of Governors on the date the member ceases to be a member.

3. The payment for shares repurchased by the Fund under this Article shall be governed by the following conditions:

(a) any amount due to the member concerned for its shares shall be withheld so long as that member remains liable immediately, in the future or contingently as a borrower or guarantor, to the Fund and such amount may, at the option of the Fund, be applied on any such liability as it matures. No amount shall be withheld on account of the contingent liability of the member for future calls on its subscription for shares in accordance with the provisions of paragraph 4 of Article 13 of this Agreement. In any event, no amount due to a member for its shares shall be paid until twelve months after the date on which the member ceases to be a member of the Fund,

(b) payments for shares may be made from time to time, upon their surrender by the member concerned, to the extent by which the amount due as the repurchase price in accordance with paragraph 3 of this Article exceeds the aggregate amount due immediately, in the future or contingently from such member as a borrower from or a guarantor to the Fund as referred to in subparagraph (a) of this paragraph, until the former member has received the full repurchase price,

(c) payments shall be made in such available currencies as the Fund shall determine, taking into account its financial position,

(d) if losses are sustained by the Fund on any guarantees, loans, insurance, reinsurance or other undertakings which were outstanding on the date when a member ceased to be a member of the Fund and the amount of such losses exceeds the amount of any reserve specifically provided against such losses on that date, the member concerned shall repay, upon demand, the amount by which the repurchase price of its shares would have been reduced if the losses had been taken into account when the repurchase price was determined. In addition, the former member shall remain liable on any call for unpaid subscriptions in accordance with the provisions of paragraph 4 of Article 13 of this Agreement, to the same extent that it would have been required to respond if the impairment of capital had occurred and the call had been made at the time the repurchase price of its shares was determined and

(e) nothing herein contained shall render any member whether or not he shall cease to be a member of the Fund liable in its capacity as a member or former member of the Fund for any sum or sums in excess of the portion of the issue price of his shares for the time being unpaid.

4. If the Fund terminates its operations in accordance with the provisions of Articles 37 of this Agreement within twelve months of the date upon which any member ceases to be a member of the Fund, all rights of the member concerned shall be determined in accordance with the provisions of Articles 37, 38 and 39 of this Agreement. Such member shall be considered as still a member for the purposes of such Articles but shall have no voting rights.

ARTICLE 37

Termination of Operations

1. This Agreement shall have indefinite duration.

2. Notwithstanding the provisions of paragraph 1 of this Article, the Fund may terminate its operations by resolution of the Board of Governors approved by a vote representating not less than 85 per cent of the total voting power of the members of the Fund.

3. After the operations of the Fund have been terminated in accordance with the provisions of paragraph 2 of this Article, the Fund shall forthwith cease all activities, except those incidental to the orderly realisation, conservation and preservation of its assets and the settlement of its obligations.

ARTICLE 38

Liability of members and payment of claims

1. In the event of termination of the operation of the Fund the liability of all members for uncalled subscriptions to the capital of the Fund shall continue until all claims of creditors, including all contingent claims, shall have been discharged.

2. All creditors holding direct claims shall first be paid out of the assets of the Fund and then out of payments to the Fund on unpaid or callable subscriptions. Before making any payments to creditors holding direct claims, the Board of Directors shall make such arrangements as are necessary, in its judgment, to ensure a pro rata distribution among holders of direct and contingent claims.

ARTICLE 39

Distribution of Assets

1. No distribution of assets shall be made to members of the Fund on account of their subscriptions to the capital of the Fund until all liabilities to creditors shall have been discharged or provided for and any such distributions of the Board of Directors by a vote representing not less than 3/4 per cent of the total voting power of the members of the Fund.

2. Any distribution of the assets of the Fund to its members shall be in proportion to the capital held by each member and shall be effected at such times and under such conditions as the Fund shall consider fair and equitable. The shares of assets distributed need not be uniform as to type of assets. No member shall be entitled to receive its share in such a distribution of assets until it has settled all of its obligations to the Fund.

3. Any member of the Fund receiving assets distributed pursuant to this Article shall enjoy the same rights with respect to such assets as the Fund enjoyed prior to their distribution.

ARTICLE 40

Judicial Proceedings

1. Actions may be brought against the Fund in the territories of the Member States or elsewhere in a court of competent jurisdiction.

2. No action shall be brought against the Fund by members of the Fund or persons acting for or deriving claims from them. However, members of the Fund shall have recourse to such special procedures for the settlement of disputes between the Fund and its members as may be prescribed in this Agreement in the regulations of the Fund made in accordance with the terms of contracts entered into with the Fund.

ARTICLE 41

Status, Immunities, Exemptions and Privileges

1. To enable the Fund to fulfil the functions with which it is entrusted, the status, immunities, exemptions and privileges set forth in this Article shall be accorded to the Fund in the territories of each Member State.

2. The Fund shall possess full juridical personality, and in particular, the capacity

(i) to contract;
(ii) to acquire and dispose of immovable and movable property; and
(iii) to institute legal proceedings.

3. The Fund, its property and its assets, wherever located and by whomsoever held, shall enjoy immunity from every form of judicial process except in cases arising out of its borrowing powers when it may be sued only in a court of competent jurisdiction in the territory of a Member in which the Fund has its principal office, or in the territory of a Member or non-Member State where it has appointed an agent for the purpose of accepting service or notice of process or has issued or guaranteed securities. No actions shall, however, be brought against Members or persons acting for or deriving claims from Members.

4. Property and assets of the Fund, wherever located and by whomsoever held, shall be immune from search, requisition, attachment, execution, confiscation, expropriation, or any other form of seizure by legislative, executive or judicial action.

5. The archives of the Fund shall be inviolable.

6. To the extent necessary to carry out the activities provided for in this Agreement, all property and assets of the Fund shall be free from restrictions, regulations, controls, and moratoria of any nature.

7. The official communications of the Fund shall be accorded by Member States the same treatment as the official communications of other Member States.

8. All Governors, Executive Directors, Alternates, members of committees, representatives, experts, consultants, advisors of any of the foregoing persons, officers, and employees of the Fund

(i) shall be immune from legal process with respect to acts performed by them in their official capacity except when the Fund waives this immunity;

(ii) not being local nationals, shall be granted the same immunities from immigration restrictions, alien registration requirements, and national service obligations and the same facilities as regards exchange restrictions as are accorded by Members to the representatives, officials, and employees of comparable rank of other Member States;

(iii) shall be immune from search, personal detention or arrest; and

(iv) shall be granted the same treatment in respect of travelling facilities as is accorded by Members to representatives, officials, and employees of comparable rank of other Member States.

9. (a) The Fund, its assets, property, income, and its operations and transactions authorized by this Agreement shall be immune from all taxation and from all customs duties. The Fund shall also be immune from liability for the collection or payment of any tax or duty.

(b) No tax shall be levied on or in respect of salaries and emoluments paid by the Fund to Executive Directors, Alternates, officers, or employees of the Fund who are not local citizens, local subjects, or other local nationals.

(c) No taxation of any kind shall be levied on any obligation or security issued by the Fund, including any dividend or interest thereon, by whomsoever held

(i) which discriminates against such obligation or security solely because of its origin or

(ii) if the sole jurisdictional basis for such taxation is the place or currency in which it is issued, made payable or paid, or the location of any office or place of business maintained by the Fund.

10. Each member shall take such action as is necessary in its own territories for the purpose of making effective in terms of its own law the principles set forth in this Article and shall inform the Fund of the detailed action which it has taken.

11. The immunities, exemptions, and privileges provided in this Article are granted in the interests of the Fund. The Board of Directors may waive, to such extent and upon such conditions as it may determine, the immunities, privileges and exemptions provided in this Article in cases where its action would in its judgment further the interests of the Fund. The Managing Director shall have the right and duty to waive the immunity of any official in cases where, in his opinion, the immunity would impede the course of justice and can be waived without prejudice to the interests of the Fund.

ARTICLE 42

General obligations of members

The members of the Fund undertake the obligations set out in this Agreement. In particular, the members of the Fund undertake

1. To avoid restrictions on current payments
2. To avoid discriminatory currency practices against other members;
3. To buy balances of its currency held by another member if the latter, in requesting the purchase, represents that

(a) the balances to be bought have been recently acquired as a result of current transactions, or

(b) their conversion is needed for making payments for current transactions.

4. To furnish the Fund with such information as it deems necessary for its activities.

5. In complying with the provisions of paragraph 4 of this Article members shall be under no obligation to furnish information in such detail that the affairs of individuals or corporations are disclosed.

6. The Fund shall act as a centre for the collection and exchange of information on monetary and financial problems, thus facilitating the preparation of studies designed to assist members in developing policies which further the purposes of the Fund.

7. Members undertake to consult among themselves regarding existing international monetary and financial agreements with a view to making such mutually acceptable adjustments as may be necessary.

8. Each member undertakes to collaborate with the Fund regarding policies on reserve assets.

9. Each Member State shall use its best endeavours to direct its economic and financial policies towards the objective of fostering economic integration and monetary and financial cooperation.

10. Each Member State shall follow exchange policies that are compatible with its economy and those of other members.

11. The Member States shall use their best endeavours to promote cooperation in monetary, exchange rate, exchange control and currency policies.

Article 43

Co operation with other institutions

The Fund shall co operate with other subregional, regional and international institutions which pursue similar objectives or are engaged in similar activities.

ARTICLE 44

Amendment of the Agreement

1. This Agreement may be amended only by the Board of Governors by a two thirds majority of the total voting power of the Fund.

2. When an amendment has been adopted the Fund shall certify it in a formal communication addressed to all members. Amendments shall enter into force for all members three calendar months after the month in which such communication is issued, unless the amendment referred to in paragraph 1 of this Article specifies therein a different period.

3. Notwithstanding the provisions of paragraph 1 of this Article, the unanimous agreement of the Board of Governors shall be required for the approval of any amendment of the Agreement modifying

(a) the right of a member to withdraw from the Fund as provided in Article 34 of this Agreement;

(b) the right to subscribe to capital of the Fund as provided in paragraph 4 of Article 11 of this Agreement and

(c) the limitation on liability as provided in paragraphs 7 and 8 of Article 12 of this Agreement.

ARTICLE 45

Interpretation or application

Any question of interpretation or application of the provisions of this Agreement arising between any member and the Fund or between two or more members of the Fund shall be submitted to the Board of Directors for decision.

ARTICLE 46

Settlement of disputes

1. If a dispute shall arise between the Fund and a member or between the Fund and a former member of the Fund, such dispute shall be submitted to arbitration by a tribunal of three arbitrators. One of the arbitrators shall be appointed by the Fund, one by the member or former member concerned and the third, unless the parties otherwise agree, by the Executive Secretary of the United Nations Economic Commission for Africa. The third arbitrator shall be empowered to settle all questions of procedure in any case where the parties fail to reach agreement with respect to the procedure to be adopted by them.

2. A majority vote of the arbitrators shall be sufficient to reach a decision which shall be final and binding on the parties and a decision of the arbitrators may include an order as to payment of costs and expenses.

ARTICLE 47

Power to make regulations

Subject to the provisions of this Agreement, the Board of Governors may make such regulations, including financial regulations, and limits that may be imposed on the operations of the Fund, being consistent with the provisions of the Agreement, as it considers necessary or appropriate to further the objectives and functions of the Fund.

ARTICLE 48

Final provisions

1. This Agreement, of which the Arabic, English and French texts are equally authentic, shall be deposited with the Executive Secretary of the United Nations Economic Commission for Africa.

2. This Agreement shall enter into force provisionally upon signature by thirty-five regional members and definitively upon ratification by thirty regional members.

3. Any of the States, bodies corporate, enterprises and institutions referred to in Subparagraph (c) of Paragraph 2 of Article 4 of this Agreement which are desirous of becoming members of the Fund after the coming into force of this Agreement shall submit a request for accession to the Managing Director of the Fund who will thereafter submit the request to the Board of Directors for approval.

4. The Managing Director of the Fund shall transmit certified copies of this Agreement and advice concerning acceptance, approval or accession to this Agreement to the members of the Fund, and to such other international organizations as the Board of Governors shall determine.

ARTICLE 49

Commencement of operations

1. Upon the entry into force of this Agreement each member shall appoint a Governor in accordance with the provisions of paragraph 1 of Article 6 of this Agreement and the Executive Secretary of the United Nations Economic Commission for Africa shall call the first meeting of the Board of Governors of the Fund.

2. The meeting referred to in paragraph 1 of this Article shall:

(a) Elect the Chairman of the Board of Governors pursuant to the provisions of paragraph 1 of Article 8 of this Agreement;

(b) Appoint the Managing Director and other core staff of the Fund;

(c) Give such directions to the Board of Directors and other organs of the Fund as are necessary for the expeditious and effective implementation of the Agreement.

3. Within two months of the entry into force of this Agreement the members of the Fund shall appoint the members of the Board of Directors. The Board of Directors shall within one month of its being constituted hold its first meeting and

(a) Give all necessary directions to the Managing Director on the implementation of this Agreement, and

(b) Do all such other things as may be necessary for the expeditious and effective implementation of this Agreement.

DONE at _____ on the _____ day of _____ One Thousand Nine Hundred and Eighty Six in the Arabic, English and French Languages, all three texts being equally authentic.

IN WITNESS whereof the undersigned have placed their signatures to this Agreement the date and year hereinbefore written.

Country	Name	Designation	Signature	Date
Algeria				
Angola				
Benin				
Botswana				
Burkina Faso				
Burundi				
Cameroon				
Cape Verde				
Central African Republic				
Chad				
Comoros				

Country	Name	Designation	Signature	Date
Cote d'Ivoire				
Congo				
Djibouti				
Egypt				
Equatorial Guinea				
Ethiopia				
Gabon				
Ghambia				
Ghana				
Guinea				
Guinea Bissau				
Kenya				
Lesotho				
Liberia				
Libya				
Madagascar				
Malawi				
Mali				
Mauritania				
Mauritius				
Morocco				

Country	Name	Designation	Signature	Date
Mozambique				
Niger				
Nigeria				
Rwanda				
Sao Tome & Principe				
Senegal				
Seychelles				
Sierra Leone				
Somalia				
Sudan				
Swaziland				
Tanzania				
Togo				
Tunisia				
Uganda				
Zaire				
Zambia				
Zimbabwe				

ANNEX I

AFRICAN COMMERCIAL BANK: PROCEDURES FOR THE ELECTION OF DIRECTORS

(1) At the election of Directors each Governor shall cast all votes of the member he represents for a single person.

(2) The nine persons receiving the highest number of votes shall be Directors, except that no person who receives less than ten per cent of the total voting power of the members shall be considered as elected.

(3) If nine persons are not elected at the first ballot, a second ballot shall be held in which the persons who received the lowest number of votes in the preceding ballot shall be ineligible and in which votes shall be cast only by

(a) Governors who voted in the preceding ballot for a person who is not elected;

(b) Governors whose votes for a person who is elected are deemed, in accordance with paragraph 4 of this Annex, to have raised the votes cast for that person above twelve per cent of the total voting power of the members.

(4) (a) In determining whether the votes cast by a Governor shall be deemed to have raised the total number of votes for any person above twelve per cent, the said twelve per cent shall be deemed to include, first, the votes of the Governor casting the highest number of votes for that person, and then, in diminishing order, the votes of each Governor casting the next highest number until twelve per cent is attained.

(b) Any Governor part of whose votes must be counted in order to raise the votes cast for any person above ten per cent shall be considered as casting all his votes for that person even if the total number of votes cast for that person thereby exceeds twelve per cent.

(5) If, after the second ballot, nine persons are not elected, further ballots shall be held in conformity with the principles laid down in this Annex, provided that after eight persons are elected the ninth may be elected notwithstanding the provisions of paragraph 3 of this Annex by a simple majority of the remaining votes. All such remaining votes shall be deemed to have counted towards the election of the ninth Director.